

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 555

Introduced by White, 8.

Read first time January 21, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Nebraska Advantage Research and
2 Development Act; to amend section 77-5803, Revised
3 Statutes Cumulative Supplement, 2008; to change the
4 research tax credit; to provide an operative date; and to
5 repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-5803, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 77-5803 ~~(1)~~ Any (1) (a) Except as provided in subdivision
4 (1) (b) of this section, any business firm which makes expenditures
5 in research and experimental activities as defined in section 174
6 of the Internal Revenue Code of 1986, as amended, in this state
7 shall be allowed a research tax credit as provided in the Nebraska
8 Advantage Research and Development Act. The credit amount under
9 this subdivision shall equal ~~fifteen~~ thirty percent of the federal
10 credit allowed under section 41 of the Internal Revenue Code of
11 1986, as amended, or as apportioned to this state under subsection
12 (2) of this section. The credit shall be allowed for the first
13 tax year it is claimed and for the four tax years immediately
14 following.

15 (b) Any business firm which makes expenditures in
16 research and experimental activities as defined in section 174 of
17 the Internal Revenue Code of 1986, as amended, on the campus of a
18 college or university in this state or at a facility owned by a
19 college or university in this state shall be allowed a research
20 tax credit as provided in the Nebraska Advantage Research and
21 Development Act. The credit amount under this subdivision shall
22 equal thirty-five percent of the federal credit allowed under
23 section 41 of the Internal Revenue Code of 1986, as amended, or as
24 apportioned to this state under subsection (2) of this section. The
25 credit shall be allowed for the first tax year it is claimed and

1 for the four tax years immediately following.

2 (2) For any business firm doing business both within
3 and without this state, the amount of the federal credit may
4 be determined either by dividing the amount expended in research
5 and experimental activities in this state in any tax year by the
6 total amount expended in research and experimental activities or
7 by apportioning the amount of the credit on the federal income tax
8 return to the state based on the average of the property factor
9 as determined in section 77-2734.12 and the payroll factor as
10 determined in section 77-2734.13.

11 Sec. 2. This act becomes operative for taxable years
12 beginning or deemed to begin on or after January 1, 2009, under the
13 Internal Revenue Code of 1986, as amended.

14 Sec. 3. Original section 77-5803, Revised Statutes
15 Cumulative Supplement, 2008, is repealed.